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May 23, 1997

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Federal Communications Commission
Office of Secretary

Mr. William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, NW - Room 222
Washington, DC 20554

Re: Ex Parte - CC Docket No. 97-121. Application by Southwestern Bell Telephone for
Provision of InterLATA Services in Oklahoma

Dear Mr. Caton:

Today Robert Falcone, Roy Hoffinger and I of AT&T, and Mark Haddad of Sidley & Austin met with David Ellen, Craig Brown, and Jake Jennings of the Common Carrier Bureau's Policy and Program Planning Division and James Carr and Paula Silberthau of the Office of General Counsel. The purpose of this meeting was to discuss AT&T's opposition to Southwestern Bell Telephone's ("SWBT") application for provision of interLATA services in Oklahoma as outlined in our comments in the above-referenced proceeding.

During the meeting AT&T discussed SWBT's failure to fully implement the competitive checklist. Specifically, AT&T summarized arguments contained in its comments as they relate to 1) SWBT imposed restrictions on resale of local services and the use of unbundled switching by competitive local exchange carriers ("CLEC"), 2) SWBT's proposed method of provisioning unbundled loops for CLECs, 3) the lack of operational physical collocation arrangements in Oklahoma, 4) the lack of cost based rates in the record of this proceeding, and 5) the status of operations support system testing in Oklahoma.

In addition, at the request of the staff, AT&T is providing a copy of the Oklahoma Corporation Commission's Final Order granting a Certificate of Public Convenience and Necessity authorizing Cox Oklahoma Telecom, Inc. to furnish local exchange services in the state of Oklahoma.

Two copies of this Notice are being submitted to the Secretary of the FCC, in accordance with Section 1.1206(a)2.

Sincerely,

ATTACHMENT

cc: David Ellen
Jake Jennings

Craig Brown
Paula Silberthau

James Carr

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BEFORE THE
CORPORATION COMMISSION OF THE
STATE OF OKLAHOMA

IN THE MATTER OF APPLICATION)
OF COX OKLAHOMA TELCOM, INC. FOR)
A CERTIFICATE OF CONVENIENCE AND)
NECESSITY AUTHORIZING COX TO)
PROVIDE LOCAL EXCHANGE)
TELECOMMUNICATIONS SERVICES)
IN OKLAHOMA)

Cause No. PUD 960000341

ORDER NO: 409902

HEARING: February 6, 1997, before Robert E. Goldfield, Administrative Law Judge

APPEARANCES: Stephen J. Moore and Thomas H. Rowland, Attorneys
Cox Oklahoma Telcom, Inc.
Cece L. Wood, Assistant General Counsel
Public Utilities Division, Oklahoma Corporation Commission

**FINAL ORDER GRANTING CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY AUTHORIZING COX OKLAHOMA TELCOM, INC. TO FURNISH
LOCAL EXCHANGE TELECOMMUNICATION SERVICES IN
THE STATE OF OKLAHOMA**

BY THE COMMISSION:

The Corporation Commission ("Commission") of the State of Oklahoma being regularly in session and the undersigned Commissioners being present and participating, there comes on for consideration and action the Application of Cox Oklahoma Telcom, Inc. ("Cox") for a Certificate of Public Convenience and Necessity authorizing it to offer local exchange telecommunications services throughout the State of Oklahoma.

PROCEDURAL HISTORY

On November 1, 1996, Cox filed an Application with the Commission to obtain a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services in the State of Oklahoma.

Copies of Cox's application and motions were served on the Staff of the Commission, the Attorney General of the State of Oklahoma ("Attorney General"), and counsel for Southwestern Bell Telephone Company ("SWBT"), GTE Southwest, Inc., Chicasaw Telecom, Dobson Wireless, Independent telephone companies, Alltel Oklahoma, AT&T Communications of the Southwest ("AT&T"), Western Oklahoma Long Distance, U.S. Long Distance, Brooks Fiber Communications of Oklahoma, Books Fiber Communications of Tulsa, Sprint Communications Company, L.P and the Oklahoma Rural Telephone Coalition. Motions to intervene were presented by the Attorney General, SWBT, MCI, AT&T and the Oklahoma Rural Telephone Coalition. The motions to intervene were all granted. On December 6, 1996, Cox pre-filed the written testimony of Dr. Francis R. Collins and Mr. Charles McElroy. Also filed that day was the pre-filed public version of Ms. Yvette Smiley-Smith's testimony. Financial information deemed by Cox to be proprietary was deleted from the public version of Ms. Smiley-Smith's testimony. Along with the pre-filed testimony, Cox filed a motion for a Protective Order relating to the proprietary information in Ms. Smiley-Smith's testimony, a notice of substitution of counsel and motions for admission *pro hac vice* by Mr. Stephen J. Moore and Mr. Thomas H. Rowland. On December 12, 1996, the Commission entered an order prescribing the schedule in this matter and setting forth the notice to be given of the Application. On December 17, 1996, the Commission entered an order granting the motions for admission *pro hac vice*. On December 23, 1996, the Commission granted the motion for protective order. Subsequent to the entry of the protective order, Cox served upon counsel for the Commission and the Attorney General, copies of the testimony of Ms. Yvette Smiley-Smith containing proprietary information.

On February 6, 1997, the hearing on the merits was held, during which Cox presented the testimony of its witnesses. Subsequent to the cross examination of Dr. Collins and Mr. McElroy by counsel for the Commission Staff, their pre-filed testimony was admitted into the record. The public version of the pre-

filed testimony of Ms. Smiley-Smith was admitted into the record on motion by counsel for Cox. Also admitted into the record were affidavits of publication of the notice set forth in the Commission's December 17, 1996 order in newspapers that have statewide circulation. Subsequent to the hearing, Cox Exhibit 37, its Proposed Complaints Ledger, was admitted into the record.

SUMMARY OF TESTIMONY

Mr. Charles McElroy, Director of Broadband Services for Cox Communications and Vice President, Operations for Cox Oklahoma Telcom, Inc., described the organization Cox will use to provide telecommunications services in Oklahoma and set forth the reasons it would be in the public interest to grant its application.

Mr. McElroy stated that the granting of Cox's application is in the public interest. Mr. McElroy further testified that granting Cox's application will allow the introduction of new and innovative services in Oklahoma that take advantage of the company's broadband network; secondly, it will allow the introduction of services at prices which reflect a competitive market; thirdly, it will create facilities diversity in the Public Switched Network; and finally, Cox's entry into the local exchange market will require the recruitment of personnel with diverse skills, contributing to further job growth and career advancement opportunities for many Oklahomans.

Mr. McElroy also testified that Cox intends to rely on the personnel in its sibling company, Cox Communications Oklahoma City, Inc., to perform many of the administrative and technical tasks of its telephone operations. Additionally, Cox has retained personnel dedicated to telecommunications operations and is currently recruiting individuals with telephone switching, marketing, and database expertise to assist in the telephone rollout, as well as the day to day operational efforts. Finally, Cox Communications in Atlanta, which is establishing telephone operations in other states, will make all of its engineering, legal and administrative expertise available to Cox Oklahoma Telcom, Inc.

Mr. McElroy testified that Cox believes that Universal Service is good public policy and it therefore intends to continue its active participation in the development of an appropriate Universal Service mechanism.

Mr. McElroy testified that Cox has established service standards in the following areas: E-911/911 service, repair, billing and collection, and network quality. All of Cox's E-911/911 systems will meet the network standards of Bellcore. Cox will monitor the updating of customer information before handing this information to public safety officials and will negotiate with Southwestern Bell to ensure that Cox customers who retain their old telephone numbers through Remote Call Forwarding (Number Portability) will continue to have E-911/911 service. Cox will employ state of the art status monitoring systems to detect service problems and will have a repair center which will coordinate the dispatch of resources to reestablish service. Cox will have a dedicated toll free number to receive and handle service problems. Cox intends to use the resources of its sister cable company to bill its customers and to handle collections that will be consistent with Oklahoma law and this Commission's rules. Customers will receive bills with sufficient detail for a customer to determine taxes charged, interexchange services used, local exchange services used, and call detail information.

Mr. McElroy testified that Cox's network meets or exceeds all Bellcore standards for the delivery of telephony services. Cox has also worked with its vendors to develop an Operation Support System (OSS) to monitor its networks compliance with Bellcore standards. By using this OSS system, Cox will be assured that its network is meeting the Bellcore standard at all times.

During the hearing on February 6, 1996, Mr. McElroy indicated that Cox intends to offer service to any customer within its service territory. He indicated that Cox will soon initiate a proceeding separate from this one in which it will provide the Commission with its designation of service territory and its tariffs. Because Cox intends to provide facilities based service, the initial service territory will primarily

be limited to areas currently served by Cox's cable affiliate. Cox therefore wishes to reserve the right to propose a service territory to the Commission for its consideration, that has boundaries that do not match the boundaries of incumbent carriers' exchanges. Mr. McElroy also indicated that, although Cox included Customer Disconnect practices with its Application, it was not requesting approval of those at this time. Those practices will be included in its tariffs and will be submitted for Commission approval along with the other tariffs of Cox, when it makes its tariff and designation of service territory filing(s).

Dr. Francis R. Collins, President of CCL Corporation, provided a description of the technical experience, knowledge, resources and technology that Cox will use to provide service in Oklahoma. Dr. Collins stated during the hearing on February 6, 1997 that Cox will offer the full range of telecommunications services within Oklahoma, including local exchange calling, toll calling and Competitive Access Provider ("CAP") services. More specifically, once it is fully operational, Cox will offer its customers, directly or through contracted services, the following:

- fully featured local exchange residence service;
- fully featured local exchange business service;
- direct inward/outward dialing options;
- ubiquitous completion of local and EAS calls;
- LXC access of the customer's choice;
- operator based O⁺ and O⁻ assisted service;
- operator based busy line verification and interrupt;
- directory assistance;
- dual party relay service;
- 911 and (E911 where appropriate) service;
- payphone access line service;

published directory service;

Other call placement and/or management services will be brought on line in accordance with market development strategies. Cox intends to offer local exchange service throughout the service areas approved by the Commission. An active deployment of facilities required to offer service will be initiated as soon as Authority is granted. This installation will be expanded throughout the areas which contain the existing cable television network within six months of receipt of the requested authority as facilities can be deployed and operating conditions allow.

SWBT and Cox have begun to negotiate an Interconnection Agreement. Cox will request negotiations from GTE and Brooks Fiber, Inc. at the earliest time it is meaningful to do so.

Dr. Collins testified that Cox's switching facility will be located at the wire center and will be connected to the outside plant feeder and distribution facilities from the distribution frame and the cross-connect termination and/or multiplexing equipment. The outside plant facilities will consist of fiber optic and/or coaxial cable primary feeder cables from the wire center, which currently service Cable Television Subscribers as well. These feeder cables will, through signal multiplexing, provide telephone services channels. The interconnection between the distribution plant and the feeder plant will be at Service Access Units (SAUs) or Service Access Connectors (SACs). The connection between the distribution plant and the subscriber is at the Network Interface Device (NID). The continuation of service from the NID to the customer premise equipment is through the customer premise inside wire. In some circumstances, typical of large building complexes, the number of telephone service channels provided by the customer premise wiring will justify continuing the feeder cable to the customer's premise. Cox will interconnect with incumbent carriers through collocation at the incumbent carrier's facilities. Similar presence will be used by these same carriers at Cox's facilities when networking considerations require it. In most circumstances individual subscriber loops and/or ports will be aggregated for transmission using multiplexers for the

telecommunications traffic from the other carrier and de-multiplexers for the traffic from Cox. The interconnection between Cox and the incumbent carrier is typically made at what is called the DS-3 level of the North American Digital Hierarchy. This transport level provides 672 voice/ISDN grade channels per system. For situations wherein the number of simultaneous calls does not justify transmission at the DS-3 level, DS-1 level transmission will be used.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Commission finds that it has jurisdiction over the above entitled cause pursuant to Art. IX, Section 18 of the Oklahoma Constitution, 17 O.S. (1996) Section 131 *et seq.*, and OAC 165:55. Further, the Commission finds that Cox has complied with the notice requirements, including Notice of Publication, prescribed by 17 O.S. Sections 132 and 133 and by the Commission in Order No. 401723. The Commission further finds that the Application, pre-filed testimony and attachments should be admitted into the record.

The Commission finds that based on the evidence presented, Cox's officers and management personnel have experience and managerial skills in the telecommunications business and therefore possesses the technical, managerial and financial resources to provide all telecommunications services, including local exchange telecommunications services, throughout the State of Oklahoma. Further, the Commission finds that no objections to Cox's Application have been filed with the Commission. The Commission further finds the granting of this application to be in the public interest. Therefore, the Commission finds that Cox's Application should be granted and that Cox should be granted a Certificate of Public Convenience and Necessity to provide telecommunications services, including local exchange telecommunication services, throughout the State of Oklahoma. Further, the Commission finds that Cox has at least one million (\$1,000,000) dollars in assets in the State of Oklahoma and therefore should not be required to post a surety bond nor a line of credit.

The Commission further finds that, pursuant to OAC 165:55-3-22(d), as a competitive local exchange carrier, Cox may propose to designate a service territory that has boundaries that do not match the boundaries set forth in the exchange maps of incumbent local exchange carriers. Therefore, the Commission finds that Cox should file a separate cause of action within which Cox shall submit its designation of service territory consistent with the requirements set forth in OAC 165:55. Cox's service territory maps shall, pursuant to OAC 165:55-3-22(d), be in sufficient detail to establish the location of incumbent LEC exchange boundaries on the ground.

The Commission further finds that Cox should file a separate cause of action within which Cox shall submit its initial tariffs consistent with the requirements set forth in OAC 165:55.

The Commission declines to approve at this time the Customer Disconnect practices included in Cox's Application. Those practices shall be addressed by this Commission at the time that Cox makes its filing of its initial tariffs.

ORDER


IT IS THEREFORE THE ORDER OF THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA that Cox Oklahoma Telcom, Inc.'s Application for a Certificate of Public Convenience and Necessity to provide telecommunications services throughout the State of Oklahoma, including local exchange telecommunications services, toll services and CAP services, is hereby approved.

IT IS FURTHER THE ORDER OF THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA that Cox shall file a new cause(s) of action and pursuant to OAC 165:55, submit its proposed local exchange service tariffs and proposed service territory designation for consideration by the Commission. The tariff filing shall include Cox's proposed Customer Disconnect practices, and the territory designation filing shall include detailed maps of such territory proposed to be designated.

IT IS FURTHER THE ORDER OF THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA that all of the findings of the Commission are hereby adopted.

CORPORATION COMMISSION OF OKLAHOMA


CODY L. GRAVES, Chairman


BOB ANTHONY, Vice Chairman



ED APPLE, Commissioner

DONE AND PERFORMED THIS 28 day of February, 1997, BY ORDER OF THE COMMISSION:


CHARLOTTE W. FLANAGAN, Commission Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing Findings, Conclusions and Order are the Report and Recommendation of the Administrative Law Judge.


Robert E. Goldfield
Administrative Law Judge

February 26, 1997
Date